

1 Jeanette E. McPherson
Nevada Bar No. 5423
2 Jason A. Imes
Nevada Bar No. 7030
3 Schwartz & McPherson Law Firm
4 2850 South Jones Boulevard, Suite 1
Las Vegas, Nevada 89146-5308
5 Telephone: (702) 228-7590
Facsimile: (702) 892-0122
6 E-Mail: bkfilings@s-mlaw.com
7 Counsel for Lenard E. Schwartz, Chapter 7 Trustee

8 UNITED STATES BANKRUPTCY COURT
9 DISTRICT OF NEVADA

10 In re:

11 HOTEL FURNITURE SALES, INC.,

12 Debtor.

Case No. BK-S-09-29126-MKN
Chapter 7

**DECLARATION OF LENARD E.
SCHWARTZ SUPPORTING
MOTION TO REJECT
NON-RESIDENTIAL LEASES
(RE: 4120 WINDMILL LANE, #111, AND
4170 W. HARMON AVENUE, #6)**

Date: December 15, 2010
Time: 11:00 a.m.

17 I, Lenard E. Schwartz, do hereby declare under penalty of perjury as follows:
18

19 1. I am over the age of eighteen and am competent to make this Declaration. I have
20 personal knowledge of the facts in this matter, except where stated upon information and belief.

21 2. I am the duly appointed Chapter 7 Trustee for the estate of Hotel Furniture Sales,
22 Inc. (the "Debtor").

23 3. I make this Declaration in connection with the *Motion to Reject Non-Residential*
24 *Leases (Re: 4120 Windmill Lane, #111, and 4170 W. Harmon Avenue, #6)* (the "Motion") filed
25 concurrently with this Declaration, and if called to testify, I could and would testify to the
26 following statements set forth herein.

27 4. On October 12, 2009 (the "Petition Date"), Debtor filed a voluntary petition for
28 relief under Chapter 11 of the Bankruptcy Code.

5. The Debtor continued to manage its affairs as debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code until July 13, 2010, when the Court entered an *Order Granting Motion for Order Converting Case to Chapter 7 or for Appointment of Chapter 11 Trustee or Examiner* [Docket #150] directing the appointment of a Chapter 11 trustee for this case. On July 13, 2010, the Office of the United State Trustee filed the *Appointment of Lenard E. Schwartzer As Trustee For The Estate of Hotel Furniture Sales, Inc.* [Docket No. 151], and on November 5, 2010, the Court entered the *Order Granting Motion of Chapter 11 Trustee for Conversion of Case to Case Under Chapter 7* [Dkt. #200].

6. The Debtor was engaged in the purchase and sale of new and used hotel furniture on a massive scale, and utilized two large warehouse locations for its retail and wholesale operation.

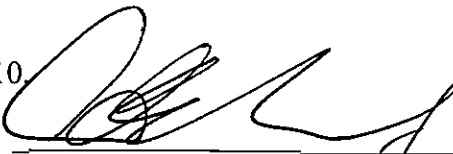
7. I have determined that the Debtor is a party to two unexpired leases of non-residential real property for its warehouse facilities located at 4120 Windmill Lane, #111, Las Vegas, Nevada (the "Windmill Lease") and 4170 W. Harmon Avenue #6, Las Vegas, Nevada (the "Harmon Lease").

9. I have evaluated the estate's assets, income, and the Leases and concluded it is in the best interest of the estate to reject the Leases. I am attempting to sell the Debtor's massive inventory but if it cannot be sold I have determined that the labor and trucking cost of relocating or disposing of the inventory (estimated in the \$150,000 range based on a previous move) will be prohibitively high and will not result in any net benefit to the estate.

10. I believe that assumption of the Leases will not benefit the estate or its creditors, and the estate is not in a position to pay the required rents on an ongoing basis.

I declare, under penalty of perjury, that the foregoing is true and correct, to the best of my knowledge, information and belief.

Dated this 17 day of November, 2010.


 Lenard E. Schwartzer, Trustee